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Revenues Budget – 2007/08

Revenue forecasting is, at best, an inexact science. Much of it is tied to the economy, and history is a great teacher. I have always attempted to forecast revenues on a conservative basis, though passage of LD-1 has made it necessary to forecast the revenues tighter than usual.

Interest – Taxes

This line is directly tied to the economy, and the worse it is, the better for interest on unpaid real estate taxes. We had fewer liens filed last summer, therefore the interest will be less on the unpaid tax liens. The interest rate, though, increased to 11% for the 2006/07 year, so we're seeing a little more come in from this source of unpaid taxes. Best guess is a \$500 increase from the 06/07 budget.

Auto Excise Taxes

Unless the Legislature monkeys with this tax structure, there is no reason not to believe that the trend upward will continue. The \$295,000 projection is based on the actual for 05/06. The 06/07 collections are trending upward from that. We have more people in town, vehicle costs have become more expensive, and we've not noticed any particular drop in new vehicle purchases. The 5.35% increase is \$15,000 over the current (06/07) budget.

Boat Excise Taxes

I'm not sure why the excise tax for 05/06 dropped off so sharply from the previous year. We are doing the boat registration process in a different manner, but it still collects excise tax. It's possible that a wrong line got posted in 04/05 to skew the figure somewhat. That being said, I've dropped the revenue to \$3,500 based on the just completed fiscal year.

Administration Fees

There was a slight anomaly in the fees collected in 05/06 in that the Conservation Commission reimbursed the town for photocopying in the water initiative project through a grant. The proposed \$900 is unchanged from 06/07.

Tax Lien Charges

The revenue from this completely offsets the expense incurred in the administration budget. We anticipate fewer liens filed and discharges, thus the lower revenue rate.

Agent Fees

No change is proposed from the current fiscal year, though we collected \$200 more in the 05/06 year. A lot of the agent fees have to do with the number of certified copies of vital records requested and the number of registrations processed in this office.

Revenue Sharing

We've taken a hit on this line this year and I'm not sure what the state is doing to monkey with the formula. An incorrect payment received at the end of FY 05/06 was posted to that year, and the 06/07 fiscal year is showing an under-budget because of that error which was subtracted from the current fiscal year. Best guess is another slight reduction in the Revenue Sharing amount.

Investment Interest

This is an area where we did very well in the past fiscal year - \$23,000 over projections! The 07/08 projection is an increase from the current fiscal year's by \$11,000. It all depends on what happens to the economy.

Gravel Sales Income – We do not project any gravel sales in 07/08. The large increase in 06/07's actual came from the settlement with Gott after the inventory of gravel removed was completed.

Capital Projects Fund – At this time there is nothing proposed to come from the capital projects fund. The School Department has talked about using a good chunk of that to fund the school.

Surplus Use- We do not have the audit yet for the 05/06 fiscal year. My preliminary estimate is that we ended the year with about \$418,000 in the undesignated fund balance account. We appropriated \$56,000 which leaves approximately \$360,000 in the fund balance. It's my estimate that we can safely appropriate \$75,000 from the undesignated fund balance to offset property taxes in the 07/08 budget.

Fund Revenue Sources:

Code Enforcement Fund – The fee income from the various code enforcement endeavors has been averaging \$11,500, but we've seen a bit of a slowdown this year (the YTD figure includes a \$2,500 fine in one case). The 06/07 budget is \$9,000. I'm guessing building activity will be about on par with the current fiscal year, and propose a \$500 increase in estimated revenues.

The CEO Fund balance took a big hit the first year LD-1 went into effect and the town deliberately ate into the fund. We're at about \$8,000 in the fund now, and I'm proposing that only \$3,000 be appropriated out of this for the proposed budget. We'll also need to move some from this fund to cover the overage from the CEO salary in the 06/07 fiscal year.

Plumbing Permit fees are off from previous years as well, however we've consistently brought in over \$3,500 in the past two years, so I'm comfortable with that amount.

Road Assistance – This figure is based on the actual amount we'll receive in this fiscal year. We won't know the true amount until after 7/1/07

Road Fund Use – I'm showing approximately \$9,000 in this fund, and propose to use \$4,000 toward road projects in 07/08. That's a significant reduction from the current fiscal year.

Portable Classroom Rental – Because these will no longer belong to the town, the rental payment would not come to the town, and this significant source of income is gone. This income loss exceeds the amount of property tax increase for the municipal tax commitment and will require an LD-1 increase vote for the 2nd year in a row.

Cable TV Revenues – The revenue from this is dedicated to the CTV Fund. The amount budgeted exceeds the expenditure budget by \$500. This might be something to look at.

Animal Control – The volume of dog license sales has increased, and is expected to exceed \$1,000 annually. We have \$1,200 budgeted for expenses. This is a self sustaining fund, but it may be that with increased expenses and stagnant income the fund balance will start to erode somewhat.

Total Town Revenue – The municipal revenues are down \$13,122.85 from the current fiscal year. That can be totally attributed to the loss of the portable classroom rental.

Respectfully submitted,

Stu Marckoon, Adm. Asst.